

1 AN ACT in relation to public employee benefits.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Illinois Pension Code is amended by  
5 changing Section 14-114 as follows:

6 (40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)

7 Sec. 14-114. Automatic increase in retirement annuity.

8 (a) Any person receiving a retirement annuity under this  
9 Article who retires having attained age 60, or who retires  
10 before age 60 having at least 35 years of creditable service,  
11 or who retires on or after January 1, 2001 at an age which,  
12 when added to the number of years of his or her creditable  
13 service, equals at least 85, shall, on January 1 next  
14 following the first full year of retirement, have the amount  
15 of the then fixed and payable monthly retirement annuity  
16 increased 3%. Any person receiving a retirement annuity  
17 under this Article who retires before attainment of age 60  
18 and with less than (i) 35 years of creditable service if  
19 retirement is before January 1, 2001, or (ii) the number of  
20 years of creditable service which, when added to the member's  
21 age, would equal 85, if retirement is on or after January 1,  
22 2001, shall have the amount of the fixed and payable  
23 retirement annuity increased by 3% on the January 1 occurring  
24 on or next following (1) attainment of age 60, or (2) the  
25 first anniversary of retirement, whichever occurs later.  
26 However, for persons who receive the alternative retirement  
27 annuity under Section 14-110, references in this subsection  
28 (a) to attainment of age 60 shall be deemed to refer to  
29 attainment of age 55. For a person receiving early  
30 retirement incentives under Section 14-108.3 whose retirement  
31 annuity began after January 1, 1992 pursuant to an extension

1 granted under subsection (e) of that Section, the first  
2 anniversary of retirement shall be deemed to be January 1,  
3 1993. For a person who retires on or after June 28, 2001 and  
4 on or before October 1, 2001, and whose retirement annuity is  
5 calculated, in whole or in part, under Section 14-110 or  
6 subsection (g) or (h) of Section 14-108, the first  
7 anniversary of retirement shall be deemed to be January 1,  
8 2002.

9 On each January 1 following the date of the initial  
10 increase under this subsection, the employee's monthly  
11 retirement annuity shall be increased by an additional 3%.

12 Beginning January 1, 1990, all automatic annual increases  
13 payable under this Section shall be calculated as a  
14 percentage of the total annuity payable at the time of the  
15 increase, including previous increases granted under this  
16 Article.

17 (b) The provisions of subsection (a) of this Section  
18 shall be applicable to an employee only if the employee makes  
19 the additional contributions required after December 31, 1969  
20 for the purpose of the automatic increases for not less than  
21 the equivalent of one full year. If an employee becomes an  
22 annuitant before his additional contributions equal one full  
23 year's contributions based on his salary at the date of  
24 retirement, the employee may pay the necessary balance of the  
25 contributions to the system, without interest, and be  
26 eligible for the increasing annuity authorized by this  
27 Section.

28 (c) The provisions of subsection (a) of this Section  
29 shall not be applicable to any annuitant who is on retirement  
30 on December 31, 1969, and thereafter returns to State  
31 service, unless the member has established at least one year  
32 of additional creditable service following reentry into  
33 service.

34 (d) In addition to other increases which may be provided

1 by this Section, on January 1, 1981 any annuitant who was  
2 receiving a retirement annuity on or before January 1, 1971  
3 shall have his retirement annuity then being paid increased  
4 \$1 per month for each year of creditable service. On January  
5 1, 1982, any annuitant who began receiving a retirement  
6 annuity on or before January 1, 1977, shall have his  
7 retirement annuity then being paid increased \$1 per month for  
8 each year of creditable service.

9 On January 1, 1987, any annuitant who began receiving a  
10 retirement annuity on or before January 1, 1977, shall have  
11 the monthly retirement annuity increased by an amount equal  
12 to 8¢ per year of creditable service times the number of  
13 years that have elapsed since the annuity began.

14 On January 1, 2004, each annuitant who began receiving a  
15 retirement annuity on or before January 1, 1998 shall have  
16 the monthly retirement annuity increased by an amount equal  
17 to 25 cents per year of creditable service times the number  
18 of years that have elapsed since the annuity began.

19 Increases granted under this subsection shall be included  
20 in the calculation of increases granted simultaneously or  
21 thereafter under subsection (a).

22 (e) Every person who receives the alternative retirement  
23 annuity under Section 14-110 and who is eligible to receive  
24 the 3% increase under subsection (a) on January 1, 1986,  
25 shall also receive on that date a one-time increase in  
26 retirement annuity equal to the difference between (1) his  
27 actual retirement annuity on that date, including any  
28 increases received under subsection (a), and (2) the amount  
29 of retirement annuity he would have received on that date if  
30 the amendments to subsection (a) made by Public Act 84-162  
31 had been in effect since the date of his retirement.

32 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01;  
33 92-651, eff. 7-11-02.)

1           Section 99. Effective date. This Act takes effect upon  
2    becoming law.